



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Scheduled Report - public distribution

Date: 4/30/1999

GAIN Report #IT9019

**Italy**

**Citrus**

**Citrus Semi-Annual**

**1999**

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**Report Highlights:** Forecasts for 1998/99 citrus production, particularly for oranges and tangerines, have declined further than expected due to hail and colder than normal weather during the final phases of harvest. Total citrus production is estimated to be 2,595 mt, with orange and tangerine production down 25% and 15% respectively from 1997. Italian imports remained high and exports lagged due to continued strong competition from Spain. However, fresh orange exports increased slightly and orange juice exports returned to previous levels following a drop in 1997.

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Semi-Annual Report  
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**SECTION I: SITUATION AND OUTLOOK**

The decline in 1998/99 Italian citrus production noted in the November 98 citrus report is now forecast to be even greater due to hail and lower than normal temperatures during the last part of the harvest season (February-March 1999). Prior to this damage, the citrus crops had already been heavily affected by extremely high temperatures in the summer of 1998.

Final trade data for the 1997/98 marketing year confirms an increasing trend of orange and citrus imports into Italy, mainly from Spain, due to that country's growing price competitiveness.

In MY 1997/98 Italian exports of tangerines, lemons and grapefruits also declined due to the growing strength of Spain in the European market. Only exports of Italian oranges increased from MY 1996/97 levels although the amount is marginal, representing only 6 % of domestic output. Almost all exports of fresh fruit go to other European Union countries.

Italian grapefruit imports continue to stagnate due to declining domestic consumption. A small amount of U.S. grapefruits are believed to have been transhipped into Italy from the Netherlands and France, but actual numbers are difficult to determine.

Final 1998 trade data for the Italian orange juice sector confirms a recovery of Italian exports to average levels after a drop in 1997 due to a strong price competition from Brazilian juice. Most exports are destined for other EU countries. The price of Brazilian concentrated orange juice remains the major factor affecting Italian exports.

The Italian Government recently announced that a program will soon be implemented in order to improve the Italian citrus industry. The plan, budgeted at 110 billion Lire, or about \$60 million and will support the citrus research, programs to improve the quality of citrus crops, restore and build processing plants, and to improve marketing organizations. According to some trade contacts, this plan is little more than a subsidy to Italian citrus sector, with 80 per cent of expenditures targeting Sicily, which suffers from high unemployment and infrastructural problems.

## SECTION II. STATISTICAL TABLES

## PS&amp;D Table Orange (Metric Tons)

PSD Table						
Country:	Italy					
Commodity:	Oranges					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		11/96		11/97		11/98
Area Planted	112000	112000	112000	112000	112000	111000
Area Harvested	108000	108000	109000	109000	109000	109000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	2100	2100	2057	2057	1645	1550
Imports	28	44	55	76	100	120
TOTAL SUPPLY	2128	2144	2112	2133	1745	1670
Exports	98	106	116	123	100	100
Fresh Dom. Consumption	1430	1438	1196	1210	1095	1020
Processing	600	600	800	800	550	550
TOTAL DISTRIBUTION	2128	2144	2112	2133	1745	1670

## PS&amp;D Table Fresh Tangerines (Metric Tons)

PSD Table						
Country:	Italy					
Commodity:	Fresh Tangerines					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		11/96		11/97		11/98
Area Planted	33000	33000	33000	33000	33000	34000
Area Harvested	32000	0	32000	32000	32000	33000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	500	500	533	533	450	450
Imports	43	44	60	61	65	65
TOTAL SUPPLY	543	544	593	594	515	515
Exports	68	68	50	50	45	45
Fresh Dom. Consumption	407	408	438	439	385	385
Processing	68	68	105	105	85	85
TOTAL DISTRIBUTION	543	544	593	594	515	515

## PS&amp;D Table Fresh Lemons (Metric Tons)

PSD Table						
Country:	Italy					
Commodity:	Fresh Lemons					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/96		10/97		10/98
Area Planted	38000	38000	37000	37000	37000	36000
Area Harvested	37000	37000	37000	37000	37000	36000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	714	714	612	612	580	580
Imports	16	36	29	49	35	35
TOTAL SUPPLY	730	750	641	661	615	615
Exports	31	43	16	22	16	16
Fresh Dom. Consumption	379	387	280	294	279	279
Processing	320	320	345	345	320	320
TOTAL DISTRIBUTION	730	750	641	661	615	615

## PS&amp;D Table Fresh Grapefruit (Metric Tons)

PSD Table						
Country:	Italy					
Commodity:	Fresh Grapefruit					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		1/96		1/97		1/98
Area Planted	250	150	150	150	150	150
Area Harvested	225	140	140	140	140	140
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	3	3	3	3	3	3
Imports	35	36	28	26	28	26
TOTAL SUPPLY	38	39	31	29	31	29
Exports	3	3	2	2	1	1
Fresh Dom. Consumption	35	36	29	27	30	28
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	38	39	31	29	31	29

## PS&amp;D Table Orange Juice (Metric Tons)

PSD Table						
Country:				single strength	Degrees Brix	
Commodity:						
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin						
Deliv. To Processors	600	600	800	800	550	550
Beginning Stocks	149000	149000	142000	142000	102000	114000
Production	220000	220000	220000	220000	200000	210000
Imports	28000	28000	25000	32000	25000	25000
TOTAL SUPPLY	397000	397000	387000	394000	327000	349000
Exports	100000	100000	130000	125000	130000	140000
Domestic Consumption	155000	155000	155000	155000	155000	155000
Ending Stocks	142000	142000	102000	114000	42000	54000
TOTAL DISTRIBUTION	397000	397000	387000	394000	327000	349000